

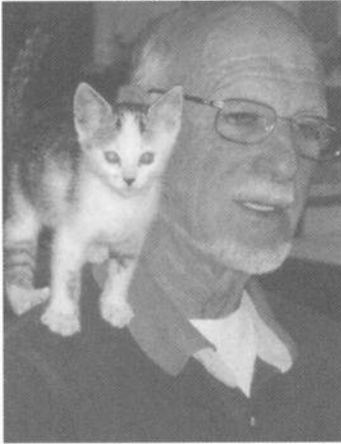


THE ECONOMICS OF WAR

Cutting Natural Resources Out of the Equation

colonialism as its main form of implementation. In Africa and Latin America colonists simply pushed native populations into progressively less fertile land until they were forced to leave their traditional lifestyles and work for wages on the colonists' estates. In other parts of the world, such as India, this process had already been completed by hereditary princes who now had to pay taxes to the invading imperial powers. As Edward Said, in his book on imperialism, said: "The main battle in imperialism is over land, of course". Neo-imperialism can be defined as the control by one country over the energy and mineral resources of others. (See Ideological wars).

Whether it's for land, oil or – in future – water, the seizing of natural resources is the principal cause of most inter- and intra-national conflicts. With climate chaos and spiralling population making such resources relatively scarcer, we need more fundamental solutions than photos of diplomats shaking hands. Sydney's



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In a previous article we tracked the failures of massive international efforts to reduce four global problems: poverty, human rights abuses, the degradation of the planet, and war. We asserted that these four problems cannot be solved separately and that none can be solved without land reform. We started with war, surveying theories of conflict offered by psychology, sociology, history, politics and economics. We concluded that they had little relevance beyond western society, and that they paid insufficient attention to conflict over land and natural resources. In the present article, though we will examine a surprisingly wide range of actual conflicts, we will find, in nearly all cases, wars are fought over some form of dispute over land. In the next article we will compare methods of conflict resolution.

INTERNATIONAL WARFARE

Imperialism has been defined as the control by one country over the territory of others, and with

International wars. The realist school of international relations contends that the nation-state system is essentially a war system. Political clout, weaponry, national pride and diplomacy all give shape to wars, but the cause is always in relative deprivation of land and natural resources. National borders, the basis of sovereignty, have resulted from previous wars or from arbitrary subdivision. For example, in Africa and the Middle East many borders follow lines of longitude and latitude running through uninhabited desert. But straddling these lines are quite different, and therefore contested, borders around immense reservoirs of oil, gas and water. And where these extend under the sea, or under the ice, new forms of resource rights and resource conflict emerge.

Ideological wars. Those of fascism and communism have, for the time being, faded and been replaced by an Islamic fundamentalist form of warfare. Since this appears to have taken western social sciences completely by surprise, we will tread carefully here, noting only some implications of resource exploitation and leaving an analysis of western responses to the next article. The realist school of international relations sees the emergence of Islamism as two responses to economic and social changes following the arrival of Western oil companies. The internal response arises from Islam's approval of hospitality and sharing, and its disapproval of greed. These Islamic values are seen as contradicted by those who now collect and hoard rentier wealth, a leisure class of elite sheiks, who must be overthrown.

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The external response to the west reflects Islam's humiliations: previous humiliations from western colonial

intrusions, and new humiliations from western culture and from western superior technology and economic organization Both are responses to a threat to destabilize a powerful religious, cultural and very traditional society, and both concern the rent of natural resources. In May 2008 Osama Bin Laden then put land in the forefront of this whole debate, claiming that the Israeli-Palestinian conflict was at the heart of the Muslim battle with the West.



Islamism emerged as two responses to economic and social changes following the arrival of Western oil companies

CIVIL WARFARE

Revolution. As we found in the previous article the roots of revolutions lie, not in capitalism, but in a downtrodden agrarian peasantry, as in France, Russia, Latin America and China. Revolution occurs when the aristocracy extracts a surplus (land rent) large enough to push the peasants down below the level of subsistence. Even the so-called industrial revolution that inspired the Communist Manifesto of Marx and Engels was fuelled by surplus agrarian labour driven from its land by aristocratic enclosures.

Secession. Often disguised as a war of ethnic liberation, secession is far more likely to be recognized as an opportunity to control a region rich in minerals or oil. Not surprisingly, the national government will fight the "rebels", to the limit of the value it stands to lose. Biafra took much of Nigeria's oil industry with it when it seceded, leading to four years of civil war. Chechnya's interest in the oil pipelines and rail links vital to Russia precipitated its resistance movement and its ruthless suppression by the Russian government. Underlying civil conflict in Tibet, superficially over religion and culture, is the recognition that the huge rivers flowing from the Tibetan plateau have potential control over the livelihoods of one quarter of mankind.

Self-determination, as a human right, aimed at the liberation of people under foreign domination. While helping to close a disgraceful chapter in European history, there are nevertheless some unanswered questions. Should not self-determination apply to all peoples, not just those under foreign domination? And what, in any case, is the *self* of a nation and who determines it? For example, self-determination often means the transfer of landed wealth from one monopolistic elite to another. These, and similar questions raised by war, challenge the concept of

territorial sovereignty, answers to which are examined in a later article.

Coups. Between 1960 and 1980 military coups occurred in three-quarters of Latin American states, over half of African ones, and half of Asian ones. Attempts to explain coups by reference to a long list of social, economic and military factors have been completely inconclusive. But missing from this list is the value of the natural resource rents that are transferred to the military. In the case of Burma these values were and still are, enormous.

Land mines. Over 100 million landmines lie buried in the soil of at least 36 countries, possibly in as many as 80. These carry the potential for decades of further death and destruction. One dollar will buy a landmine. But clearing it can cost between \$300 and \$1000.

Disappearances. In Argentina's "dirty wars" any political opponent of dictatorial government could be "disappeared". In Indonesia possibly as many as half a million peasants were "disappeared" (see Timber Scarcity).

Minority oppression. The struggles of indigenous peoples and displaced people (e.g. Palestinians) centre on land rights. Refugees, already destitute (see Migration), often face violence in their new country. For example, South Africans have attacked and butchered some of the five million refugees flowing in from countries to the north. Behind the rhetoric of loss of jobs lie other explanations of violence here. Why, for example, has South African land been transferred from white elites to black middle classes instead of to the poor, why is the unemployment rate at 23 percent, and why were these millions of refugees deprived of land rights in their own countries?

EXAMPLES OF RESOURCE CONFLICT

Habitat. Dwellings sit on land, together called real estate. Owners of most of the world's real estate are not taxed, or taxed very lightly, or taxed inefficiently and inequitably. Taxes on dwellings discourage their reproduction and maintenance. Taxes on land, however, encourage efficiency by forcing unused land into use, and encourage equity by reducing speculation and hoarding of land. ("Thousands of empty homes in a city desperate for housing" reported in the Sydney Morning Herald, May 26, 2008). Unfortunately, much government legislation, for example concerning negative gearing, rent subsidies and home loans, simply push up prices that benefit owners and push up rents paid by non-home-owners. Though inequality of land ownership has not yet led to violence in Western societies, development experts have long recognized the contribution of this inequality to violence in poor countries.

Revolution occurs when the aristocracy extracts a surplus (land rent) large enough to push the peasants down below the level of subsistence

Migration. Steady urban migration in a world that was largely agrarian until recently, will place 60 percent of humanity in cities by 2030. To this must be added the irregular displacement of peoples by environmental and political disasters.

But for whatever reason people are displaced, they forfeit the land and natural resources they leave behind. Then, arriving with nothing at their final destinations, they add to the land rent payable to landowners already there, while their struggle to survive in overcrowded camps, slums and shantytowns subtracts from environmental quality and adds to the sum total of frustration, anger and ultimate aggression.

Energy scarcity. The destruction of life and property arising from conflict over African and Middle East oil is seldom far away from the front pages. Less well understood, and therefore confusingly reported, are the roots of conflict in civil wars. For example, that between Nigeria and Biafra was reported as tribal warfare, that between Russia and Chechnya as a problem with Muslims. In each case it was oil.

Mineral scarcity. Conflict over minerals, frequently reported as aggression by tribal warlords, can be traced to massive reallocations of property rights in land and natural resources dating back to the European 19th century "Scramble for Africa".

Water scarcity. It has been suggested that the wars of the future will be fought over water. There is one right now in Darfur (see Natural Trends)

Timber scarcity. The decimation, not only of the Amazon forest but also of its Amerindian peoples, has been well documented. Less well-known is the intrusion in the 1960s of US interests into Indonesian forest resources, a campaign with indirect links to the liquidation of half a million peasants who were standing in the way (see Chomsky's book "Failed States" and Susan George's book "How the Other Half Dies").

NATURAL EVENTS

There are a number of causes of conflict, traditionally considered natural, which are now being linked more and more to uncontrolled depletion and degradation of our natural heritage by humans. Some are unpredictable disasters. Some are cyclical, and some now appear to exhibit some long term trend.

Natural disasters. Historically, volcanic eruptions have led to crop failure, social unrest and the decline of at least two Mediterranean civilizations. Recently, earthquakes, floods and tsunamis have led to social unrest and violence in the form of food riots. One might ask what causes people to have to live unprotected in hazardous areas.

Why has South African land been transferred from white elites to black middle classes instead of to the poor?

Natural Cycles. Poor harvests, when inflicted on those already at the edge of subsistence, have led to debts to landowners. Some debts are passed down to the children of fathers who have fled to Mumbai or mothers who have fled to Saudi Arabia, all in search of work to pay off the debts. Custom and religion may delay, but have not prevented agrarian revolutions, in Latin America and China for example. But these revolutions continue to be explained unsatisfactorily by sociology rather than by Ricardo's law of rent.

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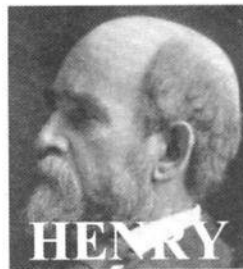


Natural Trends. Time magazine, May 7, 2007 reports that "The devastation of Darfur highlights the potentially catastrophic effects of climate change on societies across Africa. The U.N. estimates that the lives of as many as 90 million Africans –most of them in and around the Sahara- could be at risk on account of global warming. Many of Africa's armed conflicts can be explained as tinderboxes of climate change lit by the spark of ancient rivalry." Forecasts reported in the Guardian Weekly (March 14-20, 2008) suggest that one fifth of the world's people could become homeless, and that fresh water supplies could fall by 30 percent. "Climate change will fuel existing conflicts over depleting resources". Already, the media is reporting rising food and fuel riots in every region of the world.

SUMMARY

We have noted the relationship between land and natural resources and almost every form of armed conflict. In the next article we will critically evaluate four approaches to conflict resolution, idealist, legal, pragmatic and one based on a tax shift from labour and capital onto our uses and misuses of land and natural resources.

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HENRY SAID.....

"There is a way of securing the equal rights of all, not by dividing land up into equal pieces, but by taking for the use of all that value which attaches to land, not as the result of individual labor upon it, but as the result of the increase of population, and the improvement of society."

"The social pressure which forces on our shores this swelling tide of immigration arises not from the fact that the land of Europe is all in use, but that it is all appropriated. That will soon be our case as well. Our land will not all be used; but it will all be 'fenced in.'"